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DEPARTMENT FOR SA, SA/INS; NSC FOR DORMANDY

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SUBJECT: Sri Lanka: Post-tsunami Political Landscape

Refs: (A) Colombo 138
- (B) Colombo 94

- (U) Classified by Charge' d'Affaires James F. Entwistle. Reasons 1.4 (b,d).
- 11. (C) SUMMARY: As Sri Lanka begins to pick up the pieces one month after the tsunami, politicians are calculating the impact of the disaster on the bitterly divisive zero-sum game that is Sri Lankan politics. For now, the enormous sympathy generated for Sri Lanka-as well as repeated calls for national unity and an end to partisan politics-seem to most directly benefit President Chandrika Kumaratunga and her government. Her habitual adversaries, the Liberation Tigers of Tamil Eelam, the opposition United National Party and nominal coalition partner Janatha Vimukthi Peramuna, on the other hand, are at a relative disadvantage, scrambling to regain lost ground by competing with the Government in the relief/reconstruction effort. Kumaratunga risks squandering the good will her government has garnered, however, if she fails to begin reconstruction quickly and equitably. END SUMMARY.

# CALCULATION OF PHYSICAL DAMAGE . . .

- 12. (U) One month after a devastating tsunami struck the northern, eastern, southern and parts of the western coastline, the extent of the damage wrought by the greatest natural disaster in modern Sri Lankan history is gradually becoming clearer. According to the Center for National Operations (CNO), 30,957 people have been confirmed killed in the tragedy, while another 5,644 remain missing. In addition, 396, 170 people have been displaced, with 229,207 staying with friends and relatives and 166,963 staying in 320 temporary camps. 78,407 houses were completely destroyed; another 41,097 were partially destroyed. 168 public schools, 4 universities and 18 vocational schools were damaged. 92 clinics, hospitals and drug stores were either damaged or destroyed. An estimated 5 percent of the national road network was damaged, and a 20 km stretch of the Southern Rail Corridor, which carries 78,000 passengers daily, was rendered inoperable.
- 13. (U) A Preliminary Needs Assessment prepared by the Asian Development Bank, Japan Bank for International Cooperation, Japan International Cooperation Agency and the World Bank estimated the cost of damages from the tsunami at between \$900-930 million. Moreover, an

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estimated 380,000 jobs were lost as a result of the catastrophe. Combined with the loss of output projected from this damage, the entire cost of the disaster is estimated at about 7 percent of GDP. To recoup these losses, the Assessment calculated Sri Lanka's overall financing needs at between \$1.4-1.5 billion.

- 14. (SBU) The international and national responses to this overwhelming tragedy have been tremendous. Private Sri Lankans from all across the country and from all walks of life have been involved in unprecedented numbers in a variety of philanthropic endeavors, most of them individual and spontaneous. Private corporations and state-owned enterprises have also pitched in, with garment manufacturers providing pallets of the infant rehydration fluid Pedialyte and Sri Lanka Telecom employees donning work gloves to help clear rubble littering the southern coast. By early January, according to the World Bank, bilateral donors had already pledged \$22 million in aid, while by mid-January the UN had received just about as much in response to its Flash Appeal.
- 15. (U) After an initially chaotic start (exacerbated by the micro-managing President's absence from the country in the first few days of the crisis), the Government of Sri Lanka (GSL) has improved its response to the disaster. The Center for National Operations (CNO), headed by Education Secretary and Presidential confidant Dr. Tara De Mel, was established at the Presidential

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addition, the President also set up three task forces, composed of senior civil servants and prominent members from the private sector, to address different aspects of the GSL reconstruction effort. The Task Force for Rescue and Relief, chaired by Dr. De Mel, facilitates all rescue, relief and rehabilitation activities and coordinates assistance from international donors and NGOs. The Task Force to Rebuild the Nation, chaired by Presidential Advisor Mano Tittawella, addresses reconstruction of infrastructure. The Task Force for Logistics and Law and Order, chaired by Public Security Secretary Tilak Ranaviraja, coordinates logistical

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aspects of relief work and is responsible for ensuring the safety of tsunami victims "from harassment and exploitation," according to the CNO website.

# . . . AND POLITICAL CASUALTIES

(C) But with calculations of physical and economic damage more or less complete, observers are beginning another cost assessment--evaluating the relative gains and losses experienced across the political spectrum by different key players. The consensus is, for the time being at least, that President Chandrika Kumaratunga, her dubious political fortunes boosted by the unprecedented tide of international and local good will, appears to be the overall net winner. For now, the unparalleled scale of the national tragedy-and the repeated appeals to rise above partisan politics and divisiveness-have boxed her habitual adversaries, the Liberation Tigers of Tamil Eelam (LTTE), the opposition United National Party (UNP) and even her Marxist chauvinist coalition partner the Janatha Vimukthi Peramuna (JVP), into making at least a semblance of cooperating with their long-term rival. While recognizing the short-term need to appear to play well with others, behind the scenes Sri Lanka's political actors predictably continue to seek opportunities to undercut the President's performance and up their own capital.

LTTE UNDER PRESSURE TO COOPERATE WITH GSL, CARE FOR CONSTITUENTS

- 17. (C) The tsunami, while inflicting (unknown) losses on LTTE cadres, supplies and installations, also washed away a key political trump card for the Tigers: the claim that Kumaratunga was purposely stalling the peace process to mollify the JVP and secure her own political future. Moreover, the typical Tiger plaint of Tamil victimization rings hollow in this crisis, which seems to have affected every ethnic community with equal virulence. Most important, the LTTE has had to stow for now its demand that its proposal for an Interim Self-Governing Authority (ISGA) form the sole basis for resumed negotiations—a demand that the Tigers knew was politically untenable for Kumaratunga and which they hoped would paint her as
- 18. (C) The tsunami has alleviated some of the immediate pressure on the GSL for progress on the peace front, and the Tigers know it. Despite its repeated accusations that the GSL is not distributing aid equitably to affected communities in Tiger-controlled territories, the LTTE apparently recognizes that international sympathy for these claims-especially with so many INGOs deployed in the field who can attest to the contrary-is low. (UNICEF reports of Tigers attempting to conscript child tsunami victims as guerrilla fighters have also done

inflexible and self-serving to the international

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little to boost LTTE stock lately.) For now, LTTE leader Prabhakaran seems to have decided, rather than trying to beat Kumaratunga, to join her on the moral high ground her calls for unity and compassion have gained her.

19. (C) At the same time, the Tigers cannot afford to allow the focus off the peace process-or the GSL to be perceived as leading the relief effort-for long. From the LTTE standpoint, any GSL success in providing for Tamil tsunami victims would belie the LTTE mantra of institutionalized GSL discrimination against Tamils and the organization's long-standing claim to be the sole legitimate representative of the Tamil people. Reported tensions between representatives of the pro-LTTE Tamil Rehabilitation Organization (TRO) and the GSL's Special Task Force (STF) guarding camps for internally displaced

persons (IDPs) in the east point to Tiger concerns that relations between Tamils and the security forces may improve as a result of tsunami relief efforts. For the Tigers, the best bet for PR purposes may be to echo public calls for unity in the face of crisis—and to continue quiet cooperation at the local and national levels (Ref B)—while demanding that aid in Tamil areas be channeled through LTTE proxies like the TRO.

OPPOSITION ON HOLD

- 110. (C) Before the tsunami struck, the UNP had been gleefully watching the economy stumble and the cost of living rise, planning to launch a concerted attack on the GSL around April, when consumer discontent was expected to peak. Since December 26, however, the Opposition instead has had to watch national and international support rally around the President and to second her appeals to put partisan politics aside for the time being.
- 111. (C) So far the UNP has put on a brave public face, accepting GSL calls to cooperate on the reconstruction effort. In private, however, Opposition Leader Ranil Wickremesinghe is highlighting what he perceives as shortcomings in the GSL response. In a January 26 meeting with Charge, the former PM lamented that the "relief mechanism is not working properly" and that the GSL is squandering international aid and good will through disorganization and inefficiency. Relief efforts should be decentralized, he said, to the Government Agent (GA) level and below, and special care should be taken to reinject cash into local economies by restoring livelihoods destroyed by the tsunami. In addition, the GSL has overestimated the damage done to the LTTE's defensive capabilities and erred in putting the military in charge of IDP camps, he opined. He has requested a meeting with the President to share these views.
- 112. (C) The President is also attempting to make political capital out of the crisis, Wickremesinghe complained. As an example, he cited her public statement on January 19 that there would be no elections for the next five years. Even though her office had since issued a clarification that she was referring to parliamentary, rather than presidential, elections, he said he knew for a fact that she had been trying to mobilize support among influential Buddhist clerics for a moratorium on presidential polls because of the tsunami.

## JVP CHAUVINISM ALSO A CASUALTY?

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- 113. (C) Despite its status as a coalition partner, the JVP cannot be counted as a GSL ally, and prior to December 26 its indefatigable campaign against the peace process in general and the ISGA in particular had hamstrung Kumaratunga's ability to move back to the negotiating table. Like the LTTE, however, the JVP has seen the appeal of its ethnically divisive rhetoric diminished in the wake of the national disaster. To compensate (and to blunt any political advantage the GSL might gain through its disaster response), the JVP has turned its consummate organizational apparatus to grassroots relief work. An American journalist commented to poloff that the southern coast was blanketed with redbereted JVP cadres energetically dispensing relief and organizing clean-up crews. In the ethnically diverse east, the party faithful are out in force as well, clearing debris, cooking food for IDPs, conducting medical camps and, from time to time, confronting the LTTE. According to observers, JVP altruism carries distinct ideological overtones, however, and party members take pains to differentiate themselves and their efforts from the GSL. For example, at a January 22 meeting in Kalutara, JVP activists heckled a local civil servant attempting to explain the GLS compensation package to tsunami victims.
- 114. (C) But even if the JVP senses (correctly) that post-tsunami humanitarian concerns have made its Sinhalese chauvinist message less appealing, it has not necessarily moderated its anti-ISGA rhetoric. On the pretext of thanking donors for their emergency assistance, the JVP leadership has recently been making the rounds of the diplomatic circuit, asking foreign envoys not to deal directly with the LTTE or allow the Tigers to exploit the crisis to establish a de facto separate state. (We have made clear to the JVP our policy of not dealing directly with the LTTE.) The implication, of course, is that the GSL, except for the vigilance of the JVP, would let this happen.

- 115. (C) Even her critics agree that the post-tsunami tide of sympathy has helped President Kumaratunga. For now, the crisis has pushed any dissatisfaction with her performance on the peace process and the economy off the front pages. The tsunami has provided a pretext for a fresh start on the near-moribund peace process, and GSL/LTTE cooperation on reconstruction could pay big dividends in building confidence between the two mutually mistrustful parties. Moreover, because the disaster struck all ethnic communities, reconstruction efforts, if handled properly, could help unify Sri Lankans and provide an opportunity to remedy past inequities.
- 116. (C) That said, the road ahead contains numerous pitfalls into which Kumaratunga, with her well-known penchant for disorganization and her reluctance to delegate responsibility, may stumble. The massive influx of aid and the GSL's announcement of an ambitious \$3.5 billion reconstruction plan have raised enormous expectations, and Kumaratunga will have to move fast to ensure that aid is distributed equitably and transparently. Otherwise, the reconstruction effort, however well intentioned, could backfire and end up exacerbating ethnic tensions. END COMMENT.

ENTWISTLE